

**Minutes of the Finance & Resources committee meeting FRC20.4 held by video-conference on Tuesday 15 June 2021**

**Long Road Sixth Form College, Cambridge**

Present: Gerry Bolton (committee Chair), Yolanda Botham (Principal), Steven Esdale, and Ian Wilson

In attendance: Charlotte Hemmins (Finance Director)

Clerk: Anne-Marie Diaper

<b>Ref</b>		<b>Actions:</b>
<b>FRC20.4.1</b>	<b>Apologies for absence</b> The original date of this meeting (16 June) had been changed due to a national conference occurring on that date. Two Governors (Sophie Harrison and Vickie Grenville) had sent their apologies for absence. The Clerk advised the meeting was quorate.	
<b>FRC20.4.2</b>	<b>Declarations of Interest</b> None	
<b>FRC20.4.3</b>	<b>Minutes of FRC20.3 Wednesday 28 April 2021</b> With no amendments, the minutes of the last meeting were agreed as a true and accurate record of the meeting and were approved by the committee.	
<b>FRC20.4.4</b>	<b>Matters arising from the minutes not covered elsewhere on the agenda</b> None	
<b>FRC20.4.6</b>	<b>Estates update</b> It was not possible to take agenda item 5 at the time scheduled on the agenda so the Chair decided to take item 6 first. The Finance Director presented the report written by the Estates Manager, who was retiring at the end of the year.  The meeting noted a range of matters, including CIF bids (outcome unknown at the time of the meeting), and new build canopy (which would be completed by September 2021), maintenance on site, including over the summer (to include LED lighting, and door replacement), holiday camps, contact with the Health & Safety Executive (HSE) by telephone around Covid protocols, with no issues raised from those calls, lettings, and the catering contract. The FD would bring back the matter of the catering tender, going forward, for further discussion during 2021-22.	<b>Agenda</b>

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The FD advised the committee that Network Rail had advised there would be no compulsory land purchase required, as previously reported on the Cambridge South Station development, but would require a turning circle on the top corner of the land, which would be leased, with a minimum financial contribution.

To close this agenda item, the committee was keen to formally record its appreciation to the Estates Manager, Gary Woolley, who did splendid job not least to do with Covid, over a sustained period.

*Charlotte Muir joined the meeting at 10.10am*

**FRC20.4.5 HR update**

The HR Manager presented her written report, covering HR issues from the last term up until 31 May 2021. The report covered staff turnover and its impact on teaching, recruitment, Covid sickness including from vaccine side effects, agency costs, and longer term cover provided to ensure continuity of cover for students.

The meeting discussed the College's use of Cintra, and the alternatives available, and the benefits of moving to an integrated recruitment module.

*The HR Manager left the meeting at 10.22am*

**FRC20.4.7 Management accounts**

The FD presented the April 2021 management accounts which had been made available to the committee. She reported that the accounts included no major changes since the last iteration was reviewed by the committee. The FD commented that budget lines were being closely monitored with budget holders, now with a view to 2021-22.

The committee noted a press report about examination rebates, about which College was making no assumptions. With no further questions on the management accounts, the committee Chair closed the item.

**FRC20.4.9 Annual budget 2021-22 including capital budget allocation**

Agenda item 9 was taken before item 8.

The FD presented an updated annual budget for 2021-22 including capital budget allocation to the committee, for recommendation for Board approval. The report included the forecast outturn for 2020-21, and learner numbers.

The budget prepared for 2021-22 set out the forecast surplus and detail of strategic development fund. The meeting discussed possible learner numbers for September 2021 and the possible impact of TAGs.

The paper included income prepared using known ESFA contract figures and other income lines based on planned activities. The pay budget information also included had been prepared based on a full establishment developed using current application numbers and choices moderated for historic conversion rates. A full establishment had been budgeted for with a 2.5% pay award assumption across the entire establishment, and the actual cost of this. The FD advised the committee that non pay expenditure had been reviewed with each department with changes to budgets as required. Additional expenditure was also included as an exceptional item/ongoing costs related to COVID 19.

Governors raised questions about significant risks/threats, and the meeting touched on staffing, accommodation (if student growth), and the catering contract.

The committee reviewed the plans and figures for capital expenditure including Estates and IT Capital overall. These were modelled into the balance sheet for July 2022, along with information on cash and net reserves.

A Governor asked if the figures presented included any income from sale of a College asset, to which the FD commented that that would be additional income, not currently factored in.

**The committee agreed to recommend the annual budget for 2021-22 to the Corporation, along with capital budget allocation, as set out in the papers.**

**FRC20.4.8 ESFA Financial health letter and dashboard**

The committee noted the letter from the ESFA showing the College's financial rating of 'good', and data showing LRSFC above the national College position, in the top percentile. In the midst of a global pandemic, with additional costs incurred by the College, and Governors were keen to celebrate the College's financial position. The committee Chair asked the Clerk to formally record the committee's thanks to the management team for their excellent financial management.

**FRC20.4.10 Three year financial forecast**

The FD presented this item commenting that the forecast would need to go forward as part of the new CFFR document (replacing the IFM), for

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committee recommendation for Board approval. Once ready for Board perusal, the presentation may look different but she confirmed that the numbers would remain the same.

A Governor asked about the numbers shown in the financial forecast, compared with those in the Post 16 capacity fund bid that had been reviewed separately, and the committee agreed a method of presentation, including different scenarios, when seeking approval, being clear with the wider Corporation about benefits and drawbacks of different models of presentation for a range of purposes used.

The committee recognised that savings would need to be made in 2023-24, and the FD reminded the committee that more information would be available on that in 2021-22.

**The committee confirmed it was content to forward to Board a prudent budget with scenarios set out that could be further explained.**

**FRC20.4.11 Committee review of key policies**

Financial Support policy. The FD presented the Financial Support policy for 2021-22 showing no significant changes; this was for committee consideration for Board approval. She explained that because there were no changes to the ESFA guidance on eligibility criteria and the fact that the fund had come under pressure, no changes in limits were recommended this year.

A Governor asked about references to the EU presently included in the policy. The FD confirmed that those references were correct at the time of the meeting. Some learners were up to December 2020 still classed as EU funded learners.

On page 4 distance learning a Governor asked if students must demonstrate lack of affordability. It was agreed to amend the wording at this point. On page 7 the role of Governors needed to be included – something about the policy and its application being included. One or two more small points had already been communicated.

**Finance  
Director**

**Finance  
Director**

**The committee agreed to recommend Board approval of the Financial Support Policy subject to the points raised.**

**FRC20.4.12 Review draft FRC Terms of Reference, business plan and scheduled meeting dates for 2021/22**

The Clerk presented the draft FRC ToR, meeting dates and business plan for 2021-22 to the committee. Once agreed the ToR would go forward for Board approval as part of the standing orders.

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The business plan would form part of the Corporation Cycle of Business for 2021-22 which would remain dynamic.

The committee noted the overlap between sections 5.2 and 5.4 of the ToR and the Clerk would amend accordingly.

**Clerk**

**Subject to the minor amendments discussed, the committee would recommend Board approval of the FRC Terms of Reference, business plan and scheduled meeting dates for 2021-22**

**FRC20.4.13 Governance improvement plan 2020-21 update on actions for committee and self-assessment for 2020-21**

The Clerk reported that there was no update on the deliverables relevant to the FRC in the GIP for 2020-21. The committee Chair noted that he and the Clerk would prepare a draft FRC annual report and self-assessment of effectiveness (SAR) for committee consideration during the summer.

**FRC20.4.14 Date of the next meeting (2021-22)**

FRC21.1. Wednesday 17 November 2021. The meeting finished at 11.25am